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January 15, 2010

VIA ELECTRONIC FILING


Mr. Charles L.A. Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Re: Petition of South Carolina Electric and Gas Company (Gas Operations) for an Accounting Order to Adopt New Depreciation Rates Effective January 1, 2009
Docket No.: 2009-495-G

Dear Mr. Terreni:

On December 11, 2010, the South Carolina Office of Regulatory Staff ("ORS") filed a letter with the Public Service Commission of South Carolina ("Commission") noting it had reviewed the above Petition requesting an Accounting Order to Adopt New Depreciation Rates Effective January 1, 2009. ORS further stated that based upon its review and discussions with SCE&G, ORS had no objection to the request. ORS is continuing to look at SCE&G's 2009 Depreciation Study and upon further review, ORS does not believe that the 2009 Depreciation Study reflects an annual decrease to depreciation expense as stated in the Petition. Instead, it appears to ORS that the Depreciation Study reflects an annual increase to depreciation expense. Out of an abundance of caution, ORS asks that Order Nos. 2009-909 and 2009-909(A) related to this docket be rescinded pursuant to § 58-5-320 (Supp. 2008) until such time as ORS can report back to the Commission. Further, while ORS is reviewing the effect to depreciation expense, ORS proposes that SCE&G continue using the depreciation rates in place prior to the issuance of Order Nos. 2009-909 and 2009-909(A). ORS is communicating with SCE&G on this matter and understands that SCE&G will be filing a letter stating that it does not oppose ORS's request.

Sincerely,



John W. Flitter

cc: Dan F. Arnett, Chief of Staff, SC ORS
Shannon Bowyer Hudson, Esquire, SC ORS
Catherine D. Taylor, Esquire
K. Chad Burgess, Esquire